

1 Bachecki, Crom & Co., LLP, CPA's
Jay D. Crom
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3 Telephone: (415) 398-3534
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5 Accountants for ANDREA A. WIRUM, Trustee
6

7 UNITED STATES BANKRUPTCY COURT

8 NORTHERN DISTRICT OF CALIFORNIA

9 SANTA ROSA DIVISION

10 In re

11 SVP

12
13 Debtor(s).
14

Case No. 17-10067 RLE
Chapter 11

15
16 FINAL APPLICATION FOR COMPENSATION BY ACCOUNTANT FOR TRUSTEE

17 TO: THE HONORABLE ROGER L. EFREMSKY,
UNITED STATES BANKRUPTCY JUDGE:

18 The application of Bachecki, Crom & Co., LLP, Certified Public Accountants,
19 respectfully represents:

20 Applicant is a firm of certified public accountants, duly authorized to practice in the State
21 of California.

22 Pursuant to order of the Court, applicant was employed as accountants for ANDREA A.
23 WIRUM, Successor Trustee, in the above entitled case on September 6, 2019. Attached is a copy
24 of the order (Exhibit A).

25 This application seeks compensation for the period August 22, 2019 through March 12,
26 2020. Applicant neither requested nor received any prior compensation nor reimbursement in the
27 case.
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REQUEST FOR COMPENSATION

Applicant spent 120.00 total hours of the time of accountants and associate employees, in performing the services set forth herein and as itemized on the detailed summary of time and services provided on the attached pages, for the eight-month period from August 2019 through March 2020. Applicant represents that it rendered timely, extensive and thorough services in accordance with requirements of the case and to enable prompt administration.

Applicant respectfully submits that the sum of \$52,851.50 constitutes reasonable compensation for its services rendered and to be rendered to the Trustee during this period of time, based on applicant's generally applicable rates at the times when the services were rendered. Applicant requests reimbursement of costs incurred of \$134.16. Applicant discloses that it charges \$.20 per page for copying costs, applicant requests that this sum be authorized for payment in full at this time.

No agreement has been made by any member of applicant's firm, or by any employee thereof, directly or indirectly, and no understanding exists for a division of fees prayed for with any other person or persons. Applicant has not entered into any agreements, written or oral, express or implied, with any other party interest in the above-entitled case for the purpose of fixing the amount of any fee or compensation to be paid from the assets of the estate of the above-named debtors.

DESCRIPTION OF SERVICES

The following narrative description is not intended to be all-inclusive, but reflects only major points of the services.

Accounting

Applicant consulted with the Trustee and Trustee's Counsel regarding accounting issues including evaluation of SVP's claims in the SVC case.

Applicant assessed the intercompany transactions between SVC and SVP and prepared an analysis of SVP's grape proceeds, administrative, pre-petition and post-petition claims in the SVC case. Applicant conferred and corresponded with the Trustee and Counsel and

1 with SVC's CPA regarding its findings and regarding obtaining additional information to support
2 the claims and debt allocations. Applicant conferred with the Trustee regarding determination
3 and documentation of claim amounts to support obtaining agreement with the SVC trustee on
4 amounts owed. Applicant prepared a declaration in support of the proceeds allocation and claims
5 stipulation with SVC.

6 Applicant prepared the monthly operating reports for August 2019 through February
7 2020. Applicant prepared a computation of US Trustee fees paid and owing including activity
8 conducted prior to the separation of SVC and SVP sales proceeds.

9 Applicant spent 44.80 hours with a corresponding cost of \$18,769.00 for such services
10 rendered.

11 Asset and Claim Investigation and Analysis

12 Applicant conferred and corresponded with the Trustee and Trustee's Counsel regarding
13 various case issues including determination of the estate's ownership interest in the combined
14 asset sales proceeds.

15 Applicant analyzed the sale closing documents and other available documentation and
16 prepared a request for additional documents. Applicant searched public records to determine the
17 real property sales price reported to the assessor.

18 Applicant assessed the Finn claim. Applicant analyzed SVP and SVC general ledger
19 activity relating to the Finn loan proceeds including transactions recorded to transfer portions of
20 the debt between the entities and transactions that were recorded to eliminate portions of the Finn
21 debt. Applicant prepared an analysis of the Finn transaction activity and conferred with the
22 Trustee and Counsel regarding its findings.

23 Applicant reviewed the pre- and post-petition tax and accounting records of SVP and SVC to
24 identify the owner of assets that were sold and to evaluate information relating to the value of the
25 personal property, intellectual property, inventory, real property and real property improvements
26 owned by each of the entities. Applicant analyzed the use of borrowed funds during the years
27 preceding the petition date to assess the assets listed on each entity's bankruptcy schedules and
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1 income tax returns and to assess the relative values. Applicant conferred and corresponded with
2 SVC's CPA to resolve the asset sale proceeds allocation.

3 Applicant spent 26.50 hours with a corresponding cost of \$13,912.50 for such services
4 rendered.

5 Income Tax Analysis and Return Preparation

6 Applicant consulted with the Trustee and Trustee's Counsel regarding tax filing issues
7 including reporting of the 2018 asset sale on amended returns.

8 Applicant requested and reviewed prior income tax returns. Applicant reviewed the
9 previously filed tax returns for tax attributes, fiscal year, taxpayer identification information and
10 tax filing jurisdictions and requirements. Applicant conferred with the predecessor trustee's CPA
11 regarding the sources of information and issues relating to preparation of the amended 2018 tax
12 returns and information reflected on previously filed 2018 tax returns. Applicant assessed prior
13 treatment and reporting of assets and debt including intercompany debt and debt owed to Finn for
14 purposes of preparing the 2018 tax returns and determining deductions for components of the
15 loan payments made from sales proceeds.

16 Applicant researched applicable tax provisions and conferred and corresponded with the
17 Trustee and Counsel regarding authority for signing the 2018 and 2019 LLC tax returns.

18 Applicant conferred with the Trustee regarding SVP's exposure to income tax assessment
19 under the new IRS audit assessment rules and regarding minimizing exposure for activity relating
20 to the asset sale.

21 Applicant prepared the amended Federal and California income tax returns for calendar
22 year 2018 and the original Federal and California income tax returns for calendar 2019.

23 Applicant prepared disclosure statements to accompany the income tax returns indicating
24 Debtor's bankruptcy filing and use of Debtor records to prepare returns. Applicant prepared a
25 request for prompt assessment by the Internal Revenue Service and California Franchise Tax
26 Board.

27 Applicant spent 47.40 hours with a corresponding cost of \$19,479.50 for such services
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1 rendered.

2 Administration

3 Applicant prepared its declaration, the Trustee's application to employ accountant and a
4 proposed order of employment and this final application for compensation.

5 Applicant spent 1.30 hours with a corresponding cost of \$690.50 for such services
6 rendered of which Applicant spent .80 hours for preparation of the application for compensation
7 for a total cost of \$428.00, an amount that is less than 5% of the total fees requested as per the
8 guidelines.

9 RESPONSIBLE PERSONNEL

10
11 Jay D. Crom is the managing partner for Bachecki, Crom & Co LLP (BCC). Mr.
12 Crom joined BCC in 1980, was admitted as partner in 1986 and succeeded to the role of
13 managing partner in 1998. Mr. Crom has practiced extensively in business valuations, financial
14 consulting, bankruptcy taxation, transfers & insolvency analysis and bankruptcy & receivership
15 accounting. Mr. Crom has been admitted as an expert in various Bankruptcy Courts. Mr. Crom's
16 current hourly billing rate is \$535.00.

17 Kimberly Lam is a partner for Bachecki, Crom & Co LLP (BCC). Ms. Lam joined BCC
18 in 2003, was admitted as partner in 2006. Ms. Lam graduated and received a B.S. in accounting
19 from San Francisco State University. Ms. Lam has been practicing as a Certified Public
20 Accountant since 2002. Ms. Lam's current hourly billing rate is \$480.00.

21 Paula Law is a tax manager at Bachecki, Crom & Co LLP (BCC). Ms. Law graduated
22 from San Francisco State University with a B.S. degree in Accounting. Ms Law joined BCC in
23 1991 and been practicing as a Certified Public Accountant since 1995. Ms. Law's current hourly
24 billing rate is \$380.00.

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26 Virginia Huan-Lau is a tax manager at Bachecki, Crom & Co LLP (BCC). Ms. Huan-Lau
27 graduated from Golden Gate University with a B.S. degree in Accounting and San Francisco
28 State University with a Master's degree in Taxation. Ms. Huan-Lau joined BCC in 2000 and has

1 been practicing as a Certified Public Accountant since 2003. Ms. Huan-Lau's current hourly
2 billing rate is \$380.00.

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4 Jason Tang is a senior accountant at Bachecki, Crom & Co LLP (BCC). Mr. Tang
5 graduated from San Francisco State University with a B.S. degree in Accounting. Mr. Tang
6 joined BCC in 2004 and has been practicing as a Certified Public Accountant since 2004. Mr.
7 Tang's current hourly billing rate is \$310.00.

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9 CONCLUSION

10 WHEREFORE, applicant prays that hearing be held on notice to creditors, and that the
11 Court allow and authorize payment to applicant of the sum of \$52,851.50 as compensation for
12 services rendered to the Trustee and the sum of \$134.16 as costs.

13 CERTIFICATION

14 Under penalties of perjury, pursuant to the laws of the United States, I declare that I have
15 read this document, and to the best of my knowledge, information and belief, formed after
16 reasonable inquiry, the compensation and expense reimbursement sought is in conformity with
17 the United States Bankruptcy Court, Northern District of California Guidelines for compensation
18 and expense reimbursement of professionals, except as specifically noted in the application.
19 Compensation and expense reimbursement requested are billed at rates in accordance with
20 practices, no less favorable than those customarily employed by the applicant and generally
21 accepted by the applicant's clients.

22 DATED: March 12, 2020

23 BACHECKI, CROM & CO., LLP
24 Certified Public Accountants

25 By /s/ Jay D. Crom
26 Jay D. Crom
27 Accountants for ANDREA A. WIRUM, Trustee
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Dated: March 12, 2020

/s/ Andrea A. Wirum
ANDREA A. WIRUM, Trustee

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PROOF OF SERVICE

I, the undersigned, declare: I am over the age of eighteen (18) years and not a party to the within action. My business address is 400 Oyster Point Boulevard, Suite 106, South San Francisco, California 94080. On the date set forth below, I caused to be served a true copy of the following document(s):

FINAL APPLICATION FOR COMPENSATION BY ACCOUNTANT FOR TRUSTEE
on each of the following parties:

Office of the U.S. Trustee
450 Golden Gate Avenue, 5th Floor, Suite #05-0153
San Francisco, CA 94102

by mail to the address shown above.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 12, 2020, at South San Francisco, California.

/s/ Shawn Awana
Shawn Awana

Bachecki, Crom & Co., LLP

Certified Public Accountants & Consultants
Forensics · Valuation · Tax

March 12, 2020

Andrea A. Wirum, Trustee
P.O. Box 1108
Lafayette, CA 94549

Re: SVP (Case Number: 17-10067)

Dear Andrea:

Pursuant to U.S. Trustee Guidelines ¶2.2.2, here is a draft of our final fee application for the above case for your review.

The court's Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees provide that a debtor in possession, a trustee or an official committee must exercise reasonable business judgment in monitoring the fees and expenses of the estate's professionals.

We invite you to discuss any objections, concerns or questions you may have with us. The Office of the United States Trustee will also accept your comments. The court will also consider timely filed objections by any party in interest at the time of the hearing.

If the application meets your approval, please sign the Trustee's Statement re: Review of Fee Application and fax back to us.

Please call if you have any questions or you can email me directly at jcrom@bachcrom.com.

Sincerely,

/s/ Jay D. Crom
Jay D. Crom